

# The Times-Dispatch

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## LOVENSTEIN FIRED FROM CITY HOME

Committee Reports Officially That Hobson Proved Charges.

## CONNIVANCE OR DUE TO NEGLIGENCE

Assistant Superintendent Dismissed Because Bids Were Tamed With While in His Custody—May Not Take Matter to Court.

"Whereas, it is the opinion of this committee that the envelopes containing bids submitted to this committee on July 15, 1907, were unwarrantably and unlawfully opened when they were in the custody of Mr. Lovenstein, First Assistant Superintendent of the City Home, and, consequently, either with his connivance, or due to his negligence, therefore,

"Be It Resolved, That the resignation of L. Lovenstein, as First Assistant Superintendent of the City Home be demanded by the Superintendent of the City Home, to take effect at once."

This resolution, adopted unanimously by the Committee on Relief of the Poor, in executive session yesterday, marks the official end of Lovenstein's connection with an institution where he has been employed for the past eleven years. Its adoption followed the introduction of evidence which showed beyond peradventure or doubt that the charges preferred by Councilman Graham B. Hobson had been proved.

With an official copy in his possession Superintendent George B. Davis went to the home of Mr. Lovenstein late in the afternoon and notified him of his dismissal. The latter was too ill yesterday to appear at the City Hall, and while in that condition he heard the verdict which placed the responsibility upon his shoulders. He had been wholly ignorant as to the manner in which the envelopes had been opened. There is no intimation of prosecution, and the matter will hardly be carried to the courts.

### The Official Report.

After the executive session the following report was made public:

"The Committee on Relief of the Poor, having been duly authorized and instructed by a joint resolution of the Council of the city of Richmond, approved August 15, 1907, to investigate the charges made by Mr. Graham B. Hobson that the bids submitted to this committee on July 15, 1907, had been tampered with, herewith makes the following report, accompanied by a stenographic transcript:

"After a careful examination of the envelopes inclosing the bids in question, and conscientious consideration of the testimony elicited from witnesses duly sworn, it is the opinion of this committee that the envelopes of certain bidders were unwarrantably and unlawfully opened between the time they were delivered to the committee, and the time they were delivered to the committee."

### The Secret Session, Plain.

Members explained before the room was cleared for an executive session that the idea was not to conceal anything, but merely to agree upon a verdict, after the manner of a jury in a court of law. Chairman Marx Gunst objected strenuously to this private conference proposition. The motion by Mr. Satterfield prevailed, however, and the session lasted less than an hour, at the conclusion of which the findings were made public. The crowd lingered for a time, and then the building Superintendent Davis, a son of Mr. Lovenstein, who resides in Philadelphia, and the reporters remaining for the finish.

### "No Place for Eulogies."

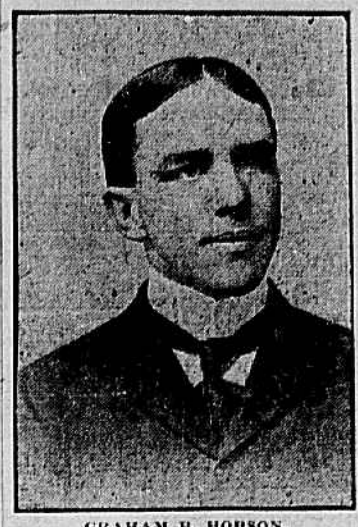
The evidence, as brought out, was discussed by the committee in a general way. It was of one mind concerning the fact that the envelopes had been opened. Therefore, it simply had to state that officially, and take such other action as was justified. It had been shown, of course, that Mr. Lovenstein was custodian of the bids.

From the time of filing until the time of opening by the committee, they were in his possession—at his residence—and the burden shifted to him and remained there. When the actual report was agreed upon, the question arose as to what should follow. One of the members—Mr. Miner—referred to Mr. Lovenstein's long service at the home, and there was a disposition to permit him to resign at the afternoon session, and thinking over that, he was in a residence in the morning he was in bed. The order of dismissal had to be transmitted officially.

None of the charges had been directed toward Mr. Davis. As a matter

(Continued on Second Page.)

## COUNCILMAN WHO IS PUTTING DOWN GRAFT



GRAHAM B. HOBSON.

## TAYLOR OFFERS TO RETURN AND STAND TRIAL

Former Governor of Kentucky Makes Many Conditions to Agreement.

INDIANAPOLIS, IND., August 23.—William S. Taylor, former Governor of Kentucky, whose extradition has been sought by the authorities of that State since the assassination of Governor William Goebel seven years ago, to-night gave out a signed statement, in which he says:

"If Mr. Franklin will cause what remains of the \$100,000 corruption fund to be returned to the Treasury of Kentucky, no part of it to be used in these prosecutions, thus putting my case on the same footing as other criminal cases, will guarantee that all trial juries in my case shall be composed of six upright Democrats and a like number of upright Republicans; will guarantee that bail will be granted me within the limit of \$100,000; will dismiss the indictment against all parties used as prosecuting witnesses except myself, leaving them free to testify without fear, coercion, or restraint, and last, but by no means least, will in advance, by mutual agreement, select an impartial judge to try my case, I will, without any promise of immunity, return to Kentucky, not only to testify in the Powers case, but to submit myself to trial."

## JUDGE MORRIS FINES RAILWAY

Virginian, Now Minnesota Federal Judge, Mulcts Road's Officials Also.

MINNEAPOLIS, MINN., August 23.—A fine of \$20,000 was imposed upon the Chicago, St. Paul, Minneapolis and Omaha Railroad Company, and its former general freight agent, Hiram M. Pearce, was ordered to pay a \$2,000 fine by Judge Page Morris, in the United States District Court in Minneapolis to-day.

The Omaha road, conjointly with its former general freight agent, was convicted in the same court April 11th, of granting rebates to the Spencer Grain Company on an indictment containing fifty counts.

Judge R. P. W. Morris, the full name of the judge who fined the railroad and its official, is a native of Lynchburg, Va., and was until a decade ago a resident of that city. Judge Morris was prominent in Republican politics in Virginia, and was once a formidable candidate for Congress from the Sixth Virginia District. Soon after his removal to Minnesota he achieved prominence in his profession, and was some years ago elevated to the Federal bench.

## CHICAGO & ALTON RAILWAY IS SOLD

Deal Not Effective Until It Is Known Railroad Is Not Fined.

NEW YORK, August 23.—The Toledo, St. Louis and Western Railroad Company has acquired control of the Chicago and Alton, according to an announcement made here to-day. The acquisition of the road is subject to certain conditions, which will not be finally determined for ten days or two weeks.

While the negotiations have been closed, the change in ownership will not actually take place until the Hawley interests have obtained definite knowledge that the government does not intend to fine the Alton \$20,000 in connection with the Standard Oil rebates. Two other factors of less importance have not been yet settled.

According to a statement issued to-day the terms under which the Chicago and Alton has been acquired by the Toledo, St. Louis and Western provide that the latter shall issue its collateral trust bonds secured by the Chicago and Alton common and preferred stock, purchased on the basis of four per cent. at par for \$2,000 shares of the preferred stock, and two per cent. for the first five years and four per cent. for the second five years in 144,300 shares of common stock at 35.

## PAYS DIVIDEND ON SECURITIES

Central of Georgia Has Nothing Left for Third Income Bonds.

MACON, GA., August 23.—Georgia Central Railroad to-day declared a dividend of five per cent. on \$4,000,000 first income bonds; 3.75 per cent. upon \$7,000,000 second income bonds, and failed to declare dividends on \$4,000,000 third income bonds on the ground that none was earned.

Present at the meeting to-day were President J. F. Hanson, Second Vice-President A. W. Wainwright, First Vice-President A. R. Lawton, S. R. Jacques, W. C. Bradley, U. B. Harlow, Joseph Hull and George B. McCormick.

## RAILWAY REJECTS STATE OVERTURES

Governor Glenn Wanted to Defer Rate Inquiry for a Time

## WOULD DECIDE JURISDICTION

Hearing Goes On and Evidence is Adduced as to Cost of Local Freights and Earnings of the Southern in North Carolina.

WASHINGTON, D. C., August 23.—Overtures, tentatively made by Governor Glenn, of North Carolina, for the suspension of the present hearing in the North Carolina rate case until after the question of the jurisdiction of United States Circuit Judge J. C. Pritchard has been determined by the Supreme Court of the United States, were rejected to-day by counsel for the Southern Railway. The plan of the Governor, as outlined by special counsel for the State, was to suspend the present inquiry because of the expense attached to it, but the Southern Railway argued that in order to expedite the adjustment of the controversy necessary facts in relation to the cost of doing business in North Carolina should be gathered, pending the settlement of the jurisdiction of the courts.

Had the Southern Railway consented to the plan the present hearing before Judge Walter A. Montgomery, who was appointed master to take evidence and report to Judge Pritchard, would have been postponed to-day indefinitely. As it is, the hearing was ordered to proceed, and the indications are that it will continue for a week or more. Having transferred the hearing from New York, Judge Montgomery started taking testimony to-day in the office of the first vice-president of the Southern Railway.

H. B. Spencer, vice-president of the Southern, was the only witness heard, and he had not concluded when adjournment was taken. During the forenoon he answered many questions concerning the cost of operating in North Carolina, and the earnings on all classes of business.

At the afternoon session Speaker Justice of the North Carolina Legislature took charge of the cross-examination and inquired closely into the actual cost of earning a dollar on all classes of business in the State.

### Railway's Earnings Per Mile.

Mr. Spencer could not estimate accurately the cost of earning a dollar on intrastate business, but said that it cost about 65 cents to earn a dollar in North Carolina to earn a dollar for the year ended June 30, 1906. These figures apply to net earnings as figured by the Interstate Commerce Commission, and do not include taxes, interest on bonds or dividends of any kind, or expenditures from net earnings for betterments. Mr. Spencer said that the average earnings per train mile on the Southern system on passenger business are about \$1.03 or \$1.04, and the passenger business of the kind, including mail and express business, are about \$1.25. The average earnings on all business in North Carolina are larger than the average for the entire system, said Mr. Spencer, for the reason that North Carolina is a "choke" through which the business of the entire system is "funneled."

### Earnings in North Carolina.

The witness gave the gross earnings on North Carolina business as \$12,043,727; the gross operating expenses for the same period as \$7,778,193, but could not give the amount of taxes paid during the period, nor the net earnings of the property.

Mr. Spencer admitted that there is a considerable volume of interstate business handled on North Carolina local trains, and, in fact, practically all of such interstate freight except the originating at division points or destined for such points. It was conceded that this to some extent tended to increase the cost of carrying local freight. The reason given by Mr. Spencer for the high cost of handling local freight was that there is less tonnage on local trains, more wear on the equipment, and more labor required in the handling.

### Virginia Evidence at Issue.

Opposing counsel engaged in some sharp exchanges over an effort on the part of Mr. Woodward, special counsel for the State, to have the witness admit that he had heard that the Virginia State Commission had concluded, from a thorough investigation, that local business of a railroad costs no more than through business. The witness would not admit that he had heard anything of the kind, nor that the decision could have been reached if one had reached for the reason that the investigation had been "one-sided."

Mr. Justice cited a number of cases and quoted many rates in an effort to show that the Southern Railway and other railways transacting business in North Carolina have discriminated against cities in that State in favor of Virginia cities, making lower rates from Lynchburg, Va., to North Carolina points than are made between two points more North Carolina points of less distance.

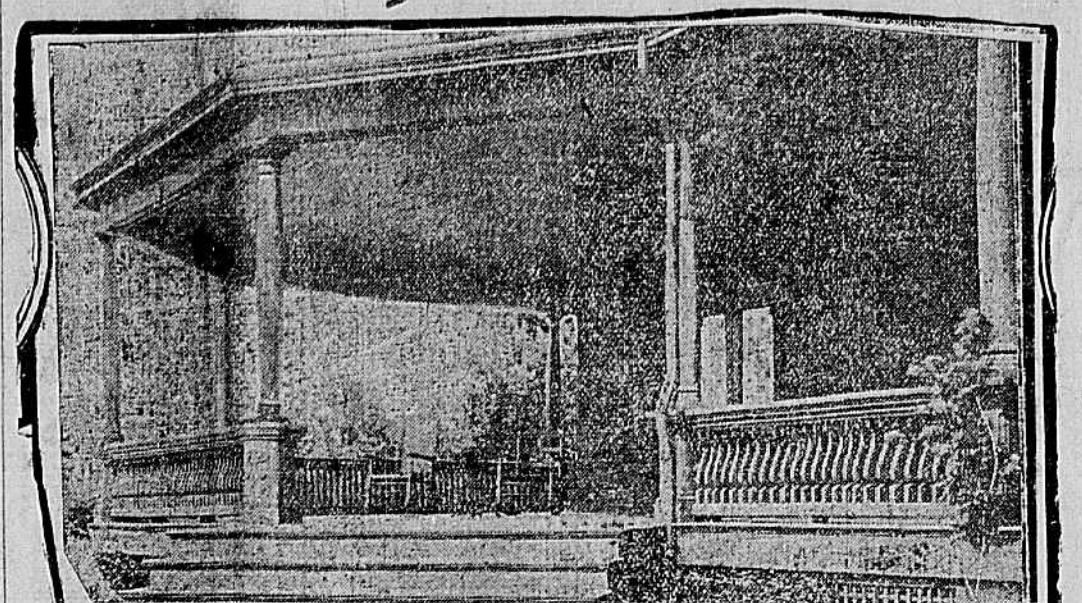
The hearing will be resumed to-morrow.

## SIX MEN KILLED BY EXPLOSION OF DONKEY ENGINE'S BOILER

NEW YORK, August 23.—Six men, who were testing a boiler of a donkey engine in the hold of the coal barge Patterson, were instantly killed to-day by the explosion of the boiler. A seventh man was seriously injured. Among the dead are: M. M. Hopkins, East Boston, Mass., captain of the barge; C. A. Gibbons, Winthrop, Mass., engineer; Claude Nell Hoboken, aged 23, student in the Stevens Institute, at Hoboken, employed as a machinist's helper.

The barge, which belongs to the Erie Railroad Company, was being overhauled when Captain Hopkins, his engineer and the deckhand and four other machinists went into the engine room to test the boiler. Engineer Gibbons started a fire in the boiler, and it had been burning only a short time when the boiler exploded. It is supposed that the water in the boiler was low.

## Famous Front Porch of Sagamore Hill Mansion Where International History is Made Every Day



PRESIDENT ROOSEVELT.

ASSIST. SECRETARY NEWBERRY.

## ROOSEVELT'S VIEW ECHOED BY TAFT

President in Favor of an Electorate Based on Intelligence.

## FORAKER'S PLAY FOR VOTES OHIO SENATOR CAN GAIN LITTLE BY HIS CRITICISMS OF SOUTH.

BY WALTER EDWARD HARRIS.  
WASHINGTON, D. C., August 23.—Secretary Taft's speech at Lexington, Ky., yesterday, in which he came out flatly in approval of the suffrage clauses of the Constitutions of the various Southern States, practically disposed of the criticism of the day before, criticized the Secretary of War for his failure to let the public know how he stood on the disfranchisement of so many Southern negroes, "who never drew a disloyal breath."

## POWERFUL FLEET IS GOING SIXTEEN OF MORE POWERFUL WAR VESSELS OF FLEET TO ROUND HORN.

OYSTER BAY, N. Y., August 23.—The Atlantic battleship fleet will start for the Pacific next December, according to an official statement issued to-night by Secretary Loeb at the direction of President Roosevelt. The statement was made following a conference this afternoon between the President and representatives of the Navy Department.

It follows:

"A conference this afternoon between President Roosevelt, Assistant Secretary of the Navy Newberry, Rear-Admiral Brownson, chief of the Bureau of Navigation, and Rear-Admiral Evans, commander of the Atlantic fleet, was held to decide some of the details in connection with the fleet going to the Pacific. The fleet will consist of sixteen battleships, and will start on its voyage in December, going through the Straits of Magellan and up to San Francisco, and will probably also visit Puget Sound, the coast of Alaska, and will return by the route by which it will return home."

## DRUGGIST DIES VERY SUDDENLY

James C. Roy Succumbs to Attack of Congestion of the Lungs.

Mr. James C. Roy, a prominent and well-known druggist of this city, died very suddenly at 10 o'clock last night at his residence, 609 North Sixth Street. Mr. Roy suffered an attack of congestion of the lungs, and was ill for only about fifteen minutes before death intervened. He was 47 years of age and had been for many years in the drug business, his last position being with the City Drug Company, at Fifteenth and Main Streets. He had served in other capacities with Robins, Owens & Minot and others. He served through the four years of the Civil War, being a member of the Ambulance Corps. He was widely known, having a host of friends, and was one of the most popular druggists in the city.

## RELIEF OF NEEDY AMONG THE STRIKERS

NEW YORK, August 23.—Striking telegraph operators, who, as a result of more than a week of idleness, are without funds, may now apply to the union's finance committee for relief, according to an announcement made to-day by Deputy National President Thomas. He said the finance committee is ready to consider the wants of any of the men who are in urgent need.

## "ORDINARY SEAMAN" IS DROWNED IN HAMPTON ROADS

NORFOLK, VA., August 23.—Ernest Byron Sevons, ordinary seaman, attached to the battleship Iowa, was accidentally drowned at the navy-yard to-day. He was knocked from a launch while attempting to make a landing at the side of the warship. Sevons enlisted at Toledo, O.

## TO PROVIDE FUNDS FOR MOVING CROPS

Sec'y Cortelyou's Plan of Loans Secured by Approved Bonds.

## MAKE DEPOSITS OF FUND WEEKLY

Precaution Taken to Prevent Speculators From Securing Advances—Plan Has Advantages Over Old Plan to Relieve Money Scarcity.

NEW YORK, August 23.—Secretary of the Treasury Cortelyou today announced a new plan of depositing government funds in New York, Boston and other cities to afford relief to the money market in the approaching crop moving period.

The plan is new to the financial world, and one which the Secretary believes will prove more efficacious than the old method of the Treasury Department in waiting until the country was severely shaken financially, and then coming to the relief at the last moment by placing a large deposit of government funds in New York banks.

Secretary Cortelyou did not state how much money he would deposit each week, though he indicated that it would equal the situation's demands. Beginning with next week, the Treasury Department will make each week for a period of not less than five weeks deposits in national banks at New York, Boston and other points, the securities to be approved by the State, municipal and railroad bonds acceptable under the existing requirements of the department, with the understanding that if called for, such deposits shall be returned after January 1st next in installments to be fixed by the Secretary of the Treasury. This action is believed to be preferable to waiting until a time of acute stringency, when the only alternative would be a large general deposit. The latter policy is regarded as a desire to overpower by one which shall have as its ultimate object the adjustment of the operations of the Treasury Department as rapidly as may be practicable under existing laws. In such manner as to avoid their being in any sense a disturbing factor in the business world.

To Eliminate Speculators. Secretary Cortelyou believes that by not announcing in advance the amounts to be deposited he will prevent speculators from taking advantage of the situation and obtaining a money which he believes should go into other channels.

In adopting this plan, the secretary gave careful consideration to the question of gold exports, and he is of the opinion that the plan will produce a relief will do much to prevent a movement of gold to Europe. In previous years the sudden outpour of money from the national treasury when a crop moving stringency was apprehended, had a favorable effect, produced a sharp relief and made a gold export movement possible by the very violence of the reaction.

## SOUTHERN CUTS ITS DIVIDEND

President Finley Makes Statement of Presidential Reasons for Action.

NEW YORK, August 23.—The directors of the Southern Railway Co. to-day cut the semi-annual dividend on the preferred stock of the company from two and a half to one and a half per cent. The action was taken after the following statement:

"At a meeting of the board of directors of the Southern Railway Company to-day the income accounts and results of operations for the fiscal year ended June 30th last were considered. A dividend of one and a half per cent. was declared on the preferred stock of accumulated surplus, making a total dividend distribution of four per cent. for the year. For this purpose, a portion of the surplus income carried forward from the year ended June 30, 1906, after payment of the dividends for that year, was used. In taking this action the directors are fully conscious of the fact that the income account for the year reflects such abnormal and extraordinary conditions as may not reasonably be expected to recur. At the same time the directors considered that under existing conditions of high prices of supplies, material and labor, of increasing taxes and legislative reduction of revenues, it was the part of conservative prudence to limit the distribution of the profits of the company, at least until the permanent effects of such conditions can be fairly measured."

## SURPRISE HERE OVER ACTION

Few Anticipated This Action on Part of Southern Railway Company.

The stock market yesterday was a kind of a blue Friday day with a bull, and all of the Richmond traders are of a greater or less extent. At the very opening of the New York market—indeed, before the gong sounded—the bear party had widely advertised that they thought the rally had gone far enough, and that they were going to renew operations for a further decline, copper being especially singled out for attack, and subsequent proceedings showed that they were able to mark prices down quite freely.

Friday is proverbially a day for bear operations, as stocks sold do not have to be borrowed until Saturday after 12 o'clock.

The forecasts for to-day's bank statement were not at all favorable, showing a decline in the likelihood of a loss of \$4,000,000, about equally distributed between the interior and the government. This is by no means a